

☐ Individual appearing without attorney  
☒ Attorney for: Debtor and Debtor in Possession

## Debtor(s).

**Location:** Courtroom 1675, 255 E. Temple Street, Los Angeles, CA 90012

**F 6004-2.NOTICE.SALE**

**Overbid procedure (if any):**

See Overbid Procedures set forth in Notice attached hereto.

**If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:**

Date: November 28, 2018

Time: 11:00 a.m.

Place: Courtroom 1675  
255 E. Temple Street  
Los Angeles, CA 90012

**Contact person for potential bidders (include name, address, telephone, fax and/or email address):**

Broker - KW Commercial, c/o W. Darrow Fiedler, 23670 Hawthorne Blvd., Suite 100, Torrance, California, 90505  
Phone: 310-600-0757, Email: wdarrowfiedler@gmail.com

Debtor's Attorneys - Levene, Neale, Bender, Yoo & Brill L.L.P., Todd M. Arnold, 10250 Constellation Boulevard, Suite 1700 Los Angeles, California 90067  
Telephone: (310) 229-1234, Facsimile: (310) 229-1244, Email: tma@lnbyb.com

Date: 11/07/2018

TODD M. ARNOLD (SBN 221868)  
LEVENE, NEALE, BENDER, YOO & BRILL LLP  
10250 Constellation Blvd., Suite 1700  
Los Angeles, CA 90067  
Telephone: (310) 229-1234 / Fax: (310) 229-1244  
Email: tma@lnbyb.com

Attorneys for Debtor and Debtor in Possession

**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA  
LOS ANGELES DIVISION**

In re:

GRAND VIEW FINANCIAL, LLC,

Debtor and Debtor in Possession.

Case No.: 2:17-bk-20125-RK

Chapter 11 Case

**NOTICE OF DEBTOR'S MOTION FOR THE  
ENTRY OF AN ORDER:**

**(1) APPROVING THE SALE OF REAL  
PROPERTY FREE AND CLEAR OF ALL  
LIENS, CLAIMS, ENCUMBRANCES, AND  
INTERESTS, WITH THE EXCEPTION OF  
ENUMERATED EXCLUSIONS, SUBJECT TO  
OVERBID,**

**(2) FINDING THAT THE BUYER IS GOOD  
FAITH PURCHASER,**

**(3) APPROVING BIDDING PROCEDURES  
AND BREAK-UP FEE,**

**(4) AUTHORIZING AND APPROVING THE  
PAYMENT OF CERTAIN CLAIMS FROM  
SALE PROCEEDS, AND**

**(5) WAIVING THE FOURTEEN-DAY STAY  
PERIOD SET FORTH IN BANKRUPTCY  
RULE 6004(h);**

**MEMORANDUM OF POINTS AND  
AUTHORITIES AND DECLARATIONS IN  
SUPPORT THEREOF**

Hearing

Date: November 28, 2018

Time: 11:00 a.m.

Place: Courtroom 1675

255 E. Temple Street

Los Angeles, CA 90012

1       **PLEASE TAKE NOTICE** that a hearing will be held on the above-referenced date,  
2 time, and location to consider the concurrently filed motion (the “Motion”) of Grand View  
3 Financial, LLC, the debtor and debtor in possession in the above-captioned Chapter 11  
4 bankruptcy case (the “Debtor”), for the entry of an order (the “Sale Order”):

5           (1) pursuant to 11 U.S.C. §§ 363(b) and (f), approving the sale of the  
6 Debtor’s residential real property located at 124 Illinois St., Vallejo, CA 94590 (the “Illinois  
7 Property”) to (a) Rajesh Sharma (the “Buyer”), free and clear of any and all liens, claims,  
8 encumbrances, and interests, with the exception of Items 1 and 4-10 (the “Excepted Items”) set  
9 forth in the preliminary title report for the Property (the “Title Report”), a true and  
10 correct copy of which is attached to the motion as **Exhibit “1,”** for a purchase price of  
11 \$370,000 (the “Purchase Price”), pursuant to the Counteroffer re Purchase and Sale of 124  
12 Illinois St., Vallejo, CA 94590 (the “Purchase Agreement”), a true and correct copy of  
13 which is attached to the motion as **Exhibit “2,”** subject to overbid (each an “Overbid” and  
14 collectively the “Overbids”) pursuant to the overbid procedures (the “Overbid Procedures”) set  
15 forth below and any auction (the “Auction”) conducted pursuant to the Overbid  
16 Procedures, or (b) the winning overbidder (each an “Overbidder” and collectively the  
17 “Overbidders”) at the Auction;

18           (2) pursuant to 11 U.S.C. § 363(m) finding that the Buyer or any winning  
19 Overbidder at the Auction confirmed as the winning bidder for the Illinois Property is a  
20 “good faith” purchaser entitled to the protections afforded under 11 U.S.C. § 363(m);

21           (3) approving the following Overbid Procedures and break-up fee (the  
22 “Break-Up Fee”):

- 23                   •   **Date, Time, and Location of the Auction:** The Auction  
24 shall be held concurrently with the hearing on the Motion, as follows:

25                           **Date: November 28, 2018**  
26                           **Time: 11:00 a.m.**  
27                           **Place: Courtroom 1675**  
28                                   **255 E. Temple Street**  
   **Los Angeles, CA 90012**

1  
2                   •    **Initial Overbid Amount:** The Purchase Price of  
3 \$370,000, plus *at least* \$10,000 more (*i.e.*, at least \$380,000) (the “Initial  
4 Overbid Amount”);

5                   •    **Qualification of Overbidders:** In order for any  
6 prospective Overbidder to have the right to bid at the Auction, the  
7 prospective Overbidder must, **within three (3) business days prior to the**  
8 **Auction**, (a) provide to counsel for the Debtor, Levene, Neale, Bender, Yoo  
9 & Brill L.L.P., c/o Todd M. Arnold, 10250 Constellation Boulevard, Suite  
10 1700 Los Angeles, California 90067, Telephone: (310) 229-1234 Facsimile:  
11 (310) 229-1244, Email: tma@lnbyb.com (“LNBYB”), a signed proposed  
12 purchase agreement (each an “Overbid Purchase Agreement”), in  
13 substantially and materially the same form as the Purchase Agreement,<sup>1</sup>  
14 redlined to show any changes, with such purchase agreement not to contain  
15 any financing, inspection, due diligence, or other contingencies (other than  
16 the entry of the Sale Order approving the sale of the Illinois Property to the  
17 Overbidder), and including, a removal of all contingencies (other than the  
18 entry of the Sale Order approving the sale of the Illinois Property to the  
19 Overbidder) pursuant to CAR Form CR 14.C, and with a minimum purchase  
20 price of at least the Initial Overbid Amount of \$380,000; (b) submit a deposit  
21 in the amount of 10% of the Initial Overbid Amount set forth in the Overbid  
22 Purchase Agreement by cashiers’ check or wire into a segregated trust  
23 account maintained by LNBYB, who will provide wire instructions on  
24 request; (c) demonstrate that the prospective Overbidder has sufficient funds  
25 or financing to close the transaction within fifteen (15) calendar days of the  
26 entry of the Sale Order approving the prospective Overbidder and the sale of

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28 <sup>1</sup> LNBYB will provide a copy of the Purchase Agreement in Word to any parties interested in submitting an Overbid.

1 the Illinois Property to the Overbidder; and (d) agree that the prospective  
2 Overbidder's deposit will be non-refundable if the prospective Overbidder is  
3 the winning bidder at the Auction and fails to close the purchase of the  
4 Illinois Property within fifteen (15) calendar following the date of entry of  
5 the Sale Order – regardless of whether an appeal has been filed of the Sale  
6 Order, provided there is no entered stay pending appeal of either of the  
7 foregoing orders (*i.e.*, no final order requirement).

8 • **Overbidding Increments and Considerations in**  
9 **Determining the Winning Bidder at Any Auction:** In order to qualify to  
10 bid at the Auction, any Overbid Purchase Agreement is required to include  
11 an Initial Overbid Amount of at least \$380,000. Subsequent overbids at the  
12 Auction must be in increments of \$1,000 or amounts that are wholly divisible  
13 by \$1,000. The Debtor, in consultation with its professionals, will select the  
14 highest and best offer and recommend Court approval of the sale of the  
15 Illinois Property to the Buyer or any qualified Overbidder that, in the opinion  
16 of the Debtor, in consultation with its professionals, has made the highest and  
17 best offer for the Illinois Property.

18 • **Break-Up Fee:** In the event the Buyer is not the  
19 successful bidder at the Auction and an Overbidder closes a purchase of the  
20 Illinois Property, the Debtor shall pay a \$5,000 Break-Up Fee (approximately  
21 1.4% of the Purchase Price) to the Buyer upon the close of escrow;

22 (4) authorizing the Debtor to pay from the proceeds of the sale of the Illinois  
23 Property (a) any pre-closing real property taxes secured by the Illinois Property allocated to  
24 the Debtor, (b) the 6% commission owed to the Debtor's broker, Keller Williams Realty and  
25 KW Commercial (the "Primary Broker") and associated Keller Williams Realty and KW  
26 Commercial offices located throughout the United States ("Associated Brokers" and,  
27 together with Primary Broker, the "Broker"), and any cooperating broker, pursuant to the  
28 Purchase Agreement and the Debtor's application to employ the Broker, which was

1 approved by the Court, and (c) any other customary escrow closing fees and charges  
2 allocated to the Debtor;

3 (5) waiving the 14-day stay period set forth in Rule 6004(h) of the Federal  
4 Rules of Bankruptcy Procedure (“FRBP”) to enable the sale of the Illinois Property to close  
5 as quickly as possible; and

6 (6) providing such other relief as is appropriate under the circumstances.

7 **PLEASE TAKE FURTHER NOTICE** that the principal terms and conditions of the  
8 proposed sale to the Buyer, subject to overbid, include the following:<sup>2</sup>

- 9 • Name of Buyer: Rajesh Sharma (*i.e.*, the “Buyer”).
- 10 • Asset: The Illinois Property.
- 11 • Purchase Price: \$370,000 subject to overbid pursuant to the Overbid  
12 Procedures.
- 13 • Deposit: \$11,000 (3% of the Purchase Price)
- 14 • Estimated Costs of Sale: Total of 8% comprised of a 6% commission for  
15 the Debtor’s broker, plus any outstanding real property taxes, plus other customary closing  
16 costs.
- 17 • Condition of Asset/Property: “As-is” and “Where is.”
- 18 • Contingencies: The Purchase Agreement contained a due diligence period  
19 that expired on October 1, 2018. All contingencies have now been lifted other than the  
20 entry of the Sale Order approving the sale of the Illinois Property to the Buyer.
- 21 • Other Terms: The sale is subject to the Overbid Procedures and Break-Up  
22 Fee set forth above. Further, the Debtor’s sale of the Illinois Property shall be free and clear  
23 of any and all liens, claims, encumbrances, and interests, other than the Excepted Items,  
24 which non-excepted liens, claims, encumbrances, and interests the Debtor believes are  
25 limited to (a) Items 2, 3, 11, 12, 17, 18 and 19 of the Title Report, which are liens securing  
26 claims for (i) unpaid real property taxes owed to Solano County (the “County”) and (ii)

27  
28 <sup>2</sup> This is a summary only. To the extent there is any inconsistency between this summary and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall govern.

1 unpaid assessments owed to the city of Vallejo (the “City”), all of which total approximately  
2 \$4,700 and will be paid from escrow upon closing, (b) Item 13 of the Title Report, which is  
3 a purported lien allegedly securing an alleged loan from Nations Direct Mortgage, LLC  
4 (“Nations Direct”) that was later allegedly transferred to PennyMac Loan Services, LLC  
5 (“PennyMac LLC”), but which claim and lien, will attach to the proceeds from the sale of  
6 the Illinois Property with the same extent, validity, and priority as such claim and lien had  
7 prior to the sale, and (c) Items 14-16 of the Title Report, which are deeds of trust (the  
8 “Affiliate DOTs”) issued by the Debtor to certain of its affiliates (the “Affiliates”) that were  
9 deemed to be released, reconveyed, terminated, and expunged from title pursuant to an order  
10 of the Court.

11 • Potential Tax Consequences: The Debtor will have to pay applicable  
12 capital gains taxes stemming from the sale of the Illinois Property after applicable  
13 deductions and exemptions.

14 **PLEASE TAKE FURTHER NOTICE** that the Motion is based upon 11 U.S.C. §§  
15 105(a), 363(b), (f), and (m), FRBP 2002 and 6004, any applicable Local Bankruptcy Rules (the  
16 “LBR”), the Memorandum of Points and Authorities and Declarations in support of and  
17 annexed to the Motion, as well as the exhibits thereto (together, the “Memorandum,  
18 Declarations, and Exhibits”), this notice of the Motion, all other evidence duly admitted by the  
19 Court in connection with consideration of the Motion, the record in this case, and the arguments  
20 and statements of counsel to be made at the hearing on the Motion.

21 **PLEASE TAKE FURTHER NOTICE** that a copy of the Motion, Memorandum,  
22 Declarations, and Exhibits can be obtained (1) from the Clerk of the Court during regular  
23 business hours, (2) electronically through the Court’s PACER system, or (3) by making a  
24 written request for such documents to the Debtor’s counsel, whose contact information is on the  
25 first page of this Notice of Motion.

26 **PLEASE TAKE FURTHER NOTICE** that, pursuant to LBR 9013-1(f), any  
27 opposition to the Motion must (1) be in writing and include all reasons and evidence in support  
28



1 of the opposition, (2) be filed at least fourteen (14) days prior to the hearing on the Motion, and  
2 (3) be served on the United States Trustee and counsel for the Debtor.

3 **PLEASE TAKE FURTHER NOTICE** that, pursuant to LBR 9013-1(h), the Court  
4 may deem the failure of any party to file a timely opposition to the Motion to constitute consent  
5 to the granting of the Motion and the relief requested herein.

6 **WHEREFORE**, the Debtor respectfully requests that this Court enter a Sale Order  
7 providing the relief requested in paragraphs (1) through (6) of the above Motion.

8 Dated: November 7, 2018

GRAND VIEW FINANCIAL, LLC

9  
10 By: /s/ Todd M. Arnold  
11 TODD M. ARNOLD  
12 LEVENE, NEALE, BENDER, YOO  
13 & BRILL L.L.P.  
14 Attorneys for Debtor and  
15 Debtor in Possession  
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## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 10250 Constellation Boulevard, Suite 1700, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled: **NOTICE OF SALE OF ESTATE PROPERTY** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **November 7, 2018**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Todd M Arnold tma@lnbyb.com
- Michael Jay Berger michael.berger@bankruptcypower.com, yathida.nipha@bankruptcypower.com;michael.berger@ecf.inforuptcy.com
- Matthew R. Clark bankruptcycfs@gmail.com, mclark@ecf.courtdrive.com
- Theron S Covey tcovey@rasflaw.com, CAECF@tblaw.com
- Jered T Ede jede@hallgriffin.com, cgallardo@hallgriffin.com
- Sean C Ferry sferry@ecf.courtdrive.com, bkyecf@rasflaw.com
- Todd S Garan ch11ecf@alldridgepite.com, TSG@ecf.inforuptcy.com;tgaran@alldridgepite.com
- Can Guner cguner@rasflaw.com
- Jamie D Hanawalt ecfcacb@alldridgepite.com, jhanawalt@ecf.inforuptcy.com
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- Laurie Howell laurie.howell@tflglaw.com
- Chi L Ip filing@lawyer4property.com, jenny@lawyer4property.com
- Merdaud Jafarnia bknotice@mccarthyholthus.com, mjafarnia@ecf.inforuptcy.com
- Ian Landsberg ian@landsberg-law.com, casey@landsberg-law.com;lisa@landsberg-law.com;diana@landsberg-law.com;yesi@landsberg-law.com;ilandsberg@ecf.inforuptcy.com
- Megan E Lees caecf@tblaw.com, MEL@ecf.inforuptcy.com
- Richard D Marks RDMarks@rdmpc.com
- Angie M Marth amarth@logs.com, ssali@logs.com
- Erin M McCartney bankruptcy@zbslaw.com, emccartney@ecf.courtdrive.com
- Vinod Nichani vinod@nichanilawfirm.com, vnichani1978@gmail.com
- Michael G Olinik michael@oliniklaw.com, rachael@callahanfirm.com
- David M Poitras dpoitras@jmbm.com, bt@jmbm.com;vr@jmbm.com;dmp@ecf.inforuptcy.com
- Kelly M Raftery bknotice@mccarthyholthus.com, kraftery@ecf.courtdrive.com
- Cassandra J Richey cdcaecf@bdfgroup.com
- Christopher O Rivas crivas@reedsmith.com, chris-rivas-8658@ecf.pacerpro.com
- Edward G Schloss egs2@ix.netcom.com
- Lindsey L Smith lls@lnbyb.com, lls@ecf.inforuptcy.com
- Edward A Treder cdcaecf@bdfgroup.com
- United States Trustee (LA) ustpregion16.la.ecf@usdoj.gov
- Larry D Webb Webblaw@gmail.com, larry@webblaw.onmicrosoft.com;r51666@notify.bestcase.com
- Sharon Z. Weiss sharon.weiss@bclplaw.com, raul.morales@bclplaw.com
- Bethany Wojtanowicz bethanyw@w-legal.com, BNC@w-legal.com
- Hatty K Yip hatty.yip@usdoj.gov
- Kristin A Zilberstein ecfnofications@ghidottlaw.com

**2. SERVED BY UNITED STATES MAIL:** On **November 7, 2018**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **November 7, 2018**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

**SERVED BY PERSONAL DELIVERY**

Honorable Robert N. Kwan  
United States Bankruptcy Court  
255 E. Temple Street, Suite 1682  
/ Courtroom 1675  
Los Angeles, CA 90012

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

November 7, 2018	Lourdes Cruz	/s/ Lourdes Cruz
<i>Date</i>	<i>Type Name</i>	<i>Signature</i>